

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy Department – Financial Restructuring Package to DISCOMs – Sanction of **Rs.201,92,88,000/-** to APTRANSCO – Payment of Interest for the first half year of 2014-15, which is due on 01.10.2014 - Administrative Orders - Issued.

ENERGY (POWER-III) DEPARTMENT

G.O.RT.No. 99

Dated: 27-09-2014.
Read the Following:-

1. G.O.Ms.No.62, Energy (Pr.III) Department, Dt.14.11.2013.
2. G.O.Ms.No.11, Energy (Pr.III) Department, Dt.18.02.2014.
3. G.O.Ms.No.134, Finance (DCM.III) Department, Dt.31.05.2014.
4. From the Director (Fin & Rev)/APTRANSCO & Member APPCC, Lr.No.Dir (F&R)/Dycca(APPCC)/89/2014, Dt.04.09.2014.
5. G.O.Rt.No.2442, Finance (PF-PAC-NABARD) Department, Dt.27.09.2014

-o0o-

ORDER :-

In the G.O.1st read above orders issued by the Govt. to stands guarantee for repayment of the Principal amount on the due dates of the bonds and the payment of interest thereon with the issue of bonds to expenditure of Rs.8,600 Crores as of 31.03.2013, subject to the following terms and conditions :-

- a) The State Government would initially guarantee bonds of Rs.8,600 Crores to be issued by the distribution company either to banks or to power suppliers whose payments are due from the DISCOMs.
- b) The rate of interest would be as per the formula indicated by the Govt. of India. The final interest rate would depend on the prevalent market rate of interest on the day of issue of bonds.
- c) These bonds initially issued by the DISCOMs and guaranteed by the State Government would be taken over by the Government over a period of 4 years by issue of State Govt. bond directly.
- d) Again at the point of time, when the State Govt. bonds are issued in lieu of the Govt. guaranteed DISCOMs' bonds, the interest rate prevailing at point of takeover would be used. Most likely, this final interest rate is going to be lesser than this initial period interest.
- e) Unconditional and irrevocable Government Guarantee for servicing of the proposed Bonds with budgetary support.
- f) Since, liability pertains to Government of Andhra Pradesh, Guarantee Commission will not be charged.
- g) The Guarantee shall be in force until all the bonds issued pursuant to the above are redeemed.

2. In the reference 3rd read above, Government accorded permission to Stand Guarantee for restructured loan of Rs.5308 Crores to APDISCOMs as per Financial Restructuring package of Government Of India subject to pending ratification of the Council of Ministers, on the following conditions.

"The responsibility for payment of interest as well as principal amount lies entirely on the DICOMS without any liability on the State Government".

3. In the reference 4th read above the Dir (Fin & Rev) /APTRANSCO & Member APPCC has requested the Government to arrange to release the interest amount of Rs.201.9288 crs. (for the first half year 2014-15) to APDiscoms by 20.09.2014 i.e., one week prior to the due date, so as to pay the interest commitment on 01.10.2014. The details of the bonds issued by the APDiscoms and the interest commitment on the bonds for the first half year of 2014-15, as shown below:

Contd..2.

Rs. in Crs.				
	Particulars	EPDCL	SPDCL	TOTAL
	Dues payable by GoAP as on 01/04/2014	1805.95	2240.20	4046.15
A	Bonds issued in 1 st Trench @9.95%	673.30	841.52	1514.82
B	Bonds issued in 2 nd and 3 rd Trench Bonds @ 10%	1132.65	1398.68	2531.33
	Total bonds issued (a+b)	1805.95	2240.20	4046.15
C	Interest on 1 st Trench Bonds for the first half year (end of 30/09/2014)	33.4967	41.8656	75.3623
D	Interest on 2 nd & 3 rd Trench Bonds for the first half year (end of 30/09/2014)	56.6325	69.9340	126.5665
	Total Interest to be payable by Govt of AP end of 30/09/2014 (a+d)	90.1292	111.7996	201.9288

4. The Finance (PF-PAC-NABARD) Deptt, have issued BRO in the reference 5th read above, for an amount of Rs.201,92,88,000/- under Non-Plan from the BE Provision 2014-15 towards servicing the power bonds in respect of DISCOMs on ad-hoc basis subject to finalization of the appointment of bonds and also adjustment of the balance in the next servicing period which is due on 01.04.2015.

5. In terms of orders issued in G.O. 5th read above, the Government, hereby accord administrative sanction for an amount of Rs.201,92,88,000/- (Rupees Two Hundred One Crores Ninety Two Lakhs Eighty Eight Thousands only) to APTRANSCO towards servicing the power bonds in respect of DISCOMs on ad-hoc basis subject to finalization of the appointment of bonds and also adjustment of the balance in the next servicing period which is due on 01.04.2015.

6. The expenditure sanctioned in para (5) above, shall be debited to the head of account "2801. Interest Payments - 05. - MH.800. Interest on other Internal Debts-SH(10). Interest on loans taken by Government on Bonds raised by APTRANSCO - 310-312 .

7. The Assistant Secretary to Government, Energy Department shall draw and disburse the amount through a cheque obtained in favour of "Director (Finance & Revenue), APTRANSCO, Hyderabad.

8. The Director (Finance & Revenue), APTRANSCO shall submit the Utilization Certificate for the amount sanctioned in para (5) above.

9. This order issues with the concurrence of Finance (PF.I) Department vide their U.O.No.84/PF.I/2014, Dt.27-09-2014.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
SECRETARY TO GOVERNMENT (FAC)

To
The Chairman & Managing Director, APTRANSCO, Hyderabad,
The Chairman & Managing Director, APEPDCL, Visakhapatnam.
The Chairman & Managing Director, APSPDCL, Tirupati.

Copy to:-

Finance (DCM.II) Department.
Finance (PF.I) Department.
P.S to Chief Secretary to Government.
P.S to Secretary to Government (FAC), Energy Department.
SF/SCs [C.No.4573/Pr.III/2012]

//Forwarded:: By Order//

SECTION OFFICER